

In Rep. Mitchell's district, the health care reform bill will:

- Improve coverage for 469,000 residents with health insurance.
- Give tax credits and other assistance to up to 143,000 families and 15,700 small businesses to help them afford coverage.
- Improve Medicare for 84,000 beneficiaries, including closing the prescription drug donut hole.
- Extend coverage to 50,000 uninsured residents.
- Allow 68,000 young adults to obtain coverage on their parents' insurance plans.
- Reduce the cost of uncompensated care for hospitals and other health care providers by \$50 million annually.
- Guarantee that residents with pre-existing conditions can obtain coverage.
- Protect families from bankruptcy due to unaffordable health care costs.

**Essential health insurance reforms.** Under the legislation, individuals with insurance can keep the coverage they have now, and it will get better. The insurance reforms in the bill prohibit annual and lifetime limits, eliminate rescissions for individuals who become ill while insured, ban coverage denials for pre-existing conditions, and reduce the cost of preventive care.

**Historic health care tax cuts.** Those who do not receive health care coverage through their employer will be able to purchase coverage at group rates through the new free market health insurance exchange. The exchange will cause insurance companies to compete for individuals business. To make this insurance affordable, the legislation contains the largest middle-class tax cut for health care in history, providing middle class families with incomes up to \$88,000 for a family of four with tax credits to help pay for coverage in the exchange. For a family of four making \$50,000, the average tax credit will be approximately \$5,800. There are 143,000 households in the district that could qualify for these credits if they purchase health insurance through the exchange or, in the case of households with incomes below 133% of poverty, receive coverage through Medicaid.

**Financial security for families.** There were 1,400 health care-related bankruptcies in the district in 2008, caused primarily by the health care costs not covered by insurance. The bill eliminates annual and lifetime limits on all insurance coverage. These reforms ensure that no family will have to face financial ruin because of high health care costs.

**Improving Medicare.** There are 84,000 Medicare beneficiaries in the district. The legislation improves their benefits by providing free preventive and wellness care, improving primary and coordinated care, and enhancing nursing home care. The bill also strengthens the Medicare Trust Fund, extending its solvency from 2017 to 2026.

**Closing the Part D donut hole.** Each year, 10,100 Medicare beneficiaries in the district enter the Part D donut hole and are forced to pay the full cost of their prescription drugs. A typical beneficiary who enters the donut hole will see savings of over \$700 in 2011 and over \$3,000 by 2020.

**New lower-cost health care options for young adults.** The legislation will allow young adults to remain on their parents' policies until they turn 26. There are 68,000 young adults in the district who could benefit from this option. For individuals under age 30, the bill creates new, inexpensive policies that allow them to obtain protection from catastrophic health care costs.

**Helping small businesses obtain health insurance.** Under the legislation, small businesses with 100 employees or less will be able to join the health insurance exchange, benefiting from group rates and a greater choice of insurers. There are 17,800 small businesses in the district that could benefit from this provision.

**Tax credits for small businesses.** Small businesses with 25 employees or less and average wages of less than \$50,000 will qualify for tax credits of up to 50% of the costs of providing health insurance. There are up to 15,700 small businesses in the district that could qualify for these credits.

**Relieving the burden of uncompensated care.** The legislation will mean more ensured Arizonans which will ease the lines and burdens in the emergency rooms. These costs of uncompensated care will be reduced by \$50 million.

**No deficit spending.** The cost of health care reform under the legislation is fully paid for, in large part by eliminating waste, fraud, abuse, and excessive profits for private insurers. The legislation will reduce the deficit by \$130 billion over the next ten years, and by about \$1.2 trillion over the second decade.

\*This analysis is based upon the following sources: the U.S. Census (data on insurance rates, small businesses, and young adult population); the Centers for Medicare and Medicaid Services (data on Medicare and Part D enrollment); the Department of Health and Human Services (data on health care-related bankruptcies, uncompensated care, and pre-existing conditions); the Health Resources and Services Administration (data on community health centers); and the Congressional Budget Office (estimates of the percentage of citizens with health insurance coverage under health care reform legislation).